

DEPARTMENT OF THE TREASURY

CUSTOMS SERVICE

**Announcement of a National Customs Automation Program Test: The
International Trade Data System (ITDS)**

AGENCY: Customs Service, Treasury.

ACTION: General notice.

SUMMARY: This document announces Customs plan to conduct a pilot test of the International Trade Data System (ITDS), an interagency system designed to enable various federal trade agencies to share a standard set of data in order to effect the more efficient electronic release of goods, conveyances, and crews. The pilot will be conducted for trucks only at the port of Buffalo, New York. Under the pilot, a participant will submit relevant information to ITDS to effect an importation, and ITDS will transmit certain elements of this information to pertinent agencies for processing the importation. This document explains the ITDS system, invites public comments concerning any aspect of the pilot, informs interested members of the public of the eligibility requirements for voluntary participation in the pilot, and describes the procedures to be followed under the pilot program.

DATES: The pilot will commence at the port of Buffalo no sooner than June 18, 2001, first at the Peace Bridge location and 30 days later at the Lewiston Bridge location. It will run for 15 months and may be extended. Applications to participate in the pilot may

be submitted throughout its duration. Written comments concerning this notice, including eligibility standards and information submission, must be received on or before [30 days from June 5, 2001.].

ADDRESSES: Written comments regarding this notice and applications for voluntary participation in the pilot should be addressed to Janet Pence, Chief, Client Representative Branch, Office of Information and Technology, 7501 Boston Boulevard, Springfield, VA 22153. Application forms will be available on the Internet at www.itds.treas.gov/register

FOR FURTHER INFORMATION CONTACT:

Concerning information regarding the test program and the application process: Janet Pence at (703) 921-7500. Additional information concerning ITDS can be obtained on the Internet at www.itds.treas.gov.

SUPPLEMENTARY INFORMATION:

BACKGROUND

Title VI of the North American Free Trade Agreement Implementation Act (the Act), Pub. L. 103-182, 107 Stat. 2057 (December 8, 1993), contains provisions pertaining to Customs Modernization (107 Stat. 2170). Subtitle B of Title VI establishes the National Customs Automation Program (NCAP), an automated and electronic system for the processing of commercial importations. Section 101.9(b) of the Customs Regulations (19 CFR 101.9(b)) provides for the testing of NCAP components (see T.D. 95-21). This pilot test is established pursuant to those regulations.

The International Trade Data System (ITDS) is a federal government information technology initiative (Initiative IT06) of the National Performance Review. The goal of

the initiative is to implement an integrated government-wide system for the electronic collection, use, and dissemination of international trade data. The ITDS was chartered in September of 1995 under then Vice President Gore's memorandum, "Implementing the International Trade Data System" (September 15, 1995), and was reaffirmed in the Government Information Technology Services Board report, "Access America: Reengineering Through Information Technology" (February 1997).

Initially, a special project office for the ITDS system was established under the Secretary of the Treasury. On November 17, 1999, the ITDS office and its functions and support were transferred to the Customs Service where it is now part of the Office of Information and Technology. A multi-agency board of directors, currently chaired by a representative of the U.S. International Trade Commission, guides the ITDS project.

When fully developed, the ITDS system will facilitate information processing for businesses and the over 65 federal agencies involved in international trade. While Customs current automated processing system, the Automated Commercial System (ACS), is designed to accommodate the needs of some federal agencies, ITDS will be designed to accommodate all agencies that need international trade data, including those agencies not serviced by the current ACS system.

When importing or exporting, trade participants (traders) are required to submit information to appropriate trade agencies to enable agencies to determine, for example, the legal admissibility of imported merchandise, the duty applicable to imported merchandise, the safe or unsafe condition of a truck intended to be used on U.S. highways, or whether food products are safe for consumption. Currently, traders are required to provide this information to each individual trade agency using a variety of

different automated systems, a multitude of paper forms, or a combination of systems and forms. The United Nations Conference on Trade and Development (UNCTAD) has estimated that submission of redundant information and preparation of documentation is equal to 4 - 6% of the cost of the merchandise.

With ITDS, traders will submit standard electronic data for imports or exports only once to ITDS. Then, ITDS will distribute this standard data to the pertinent federal agencies that have an interest in the transaction for their selectivity and risk assessment. The ITDS will provide each agency only information that is relevant to its mission. Thus, the ITDS system will serve as a government data collection and distribution facility, a “single window” system through which information necessary to trade transactions can flow efficiently from traders to agencies. By using this single window, traders will be relieved of the burden of submitting the same information to multiple federal agencies. The ITDS system will support the processes of multiple agencies, including data collection, processing, use, dissemination, and storage. Ultimately, ITDS will become the central data collection system for all federal agencies that, by law, require international trade data. As such, it will be the single, most convenient point for accessing that data.

In addition to assisting federal government agencies in the processing of import and export transactions, ITDS will provide the framework to collect information on behalf of those agencies and will enable Customs to more effectively assist them in enforcing laws and regulations relating to international trade and transportation.

Development of ITDS will be coordinated with the development of the Customs Automated Commercial Environment (ACE), the broader Customs Modernization effort,

and the current and future requirements of other agencies' processing systems. Trade data will flow to and from ACE through ITDS.

I. The ITDS Pilot

A pilot test (hereafter, pilot) involving individual federal agencies is an important part of the ITDS design and implementation plan. The pilot will be the first in a series of initiatives to develop a fully integrated, comprehensive trade data processing system. The pilot will test an infrastructure of hardware and software architecture to demonstrate ITDS as a viable system for the collection and dissemination of commercial trade data in a fully electronic environment.

The agencies participating in the ITDS pilot are: the U.S. Customs Service, the Immigration and Naturalization Service (INS), the Food and Drug Administration (FDA), and the Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA).

The initial focus of the pilot will be on adapting to existing government and trade systems. Because the ITDS system will interface with these existing systems, the full ITDS standard data-set will not be used. The pilot will provide the necessary software infrastructure to allow the government and the trade to migrate toward use of the standard data-set as ITDS is further developed. Essentially, the pilot will test the ability of traders and motor carriers to provide the required data and the ability of the government to effectively share this data among several federal trade agencies and to integrate the results of the agencies' processing.

Following the pilot, ITDS will move forward through various phases of implementation designed to:

- Reduce the cost and burden of processing international trade transactions for both the private trade community and the government;
- Provide the trade with a standard data set and a single system for import, export, and transit procedures relative to the goods involved and the transportation employed (conveyances and crew);
- Improve compliance with government trade requirements (e.g., public health and safety rules, export controls, etc.); and
- Provide users with access to more accurate, thorough, and timely international trade data.

II. The ITDS Pilot Process

For merchandise that is processed through the ITDS pilot, both the importer (or its customs broker) who files the ITDS pilot entry and the carrier transporting the merchandise (or its authorized agent) who files the ITDS pilot manifest must be participants in the ITDS pilot. (Note that there is one exception to the importer or its broker filing an electronic ITDS pilot entry: where in-bond merchandise is processed through ITDS, the manifest is filed under ordinary ITDS procedures, but the entry in the form of a paper CF 7512 is filed at the secondary inspection station by the carrier or the importer's broker.) At this point, the only carriers that may participate are truckers transporting merchandise between Canada and the United States through the Peace Bridge or the Lewiston Bridge. A high degree of coordination will be required between the participating manifest filers and entry filers.

Electronic filing is required for participation. Accordingly, manifest filers must have access to the Internet in order to submit the required web-based manifest (see

“Manifest filing” below) and entry filers must be operational participants in the Automated Broker Interface (ABI) program (see 19 CFR Part 143, Subpart A). Entry filers also must develop the technical capacity to batch and address ITDS pilot entries and related transactions separately from non-pilot ABI transactions. ITDS entry filers will need to develop mechanisms to identify truckloads to be cleared under ITDS pilot procedures.

Normally, the ITDS pilot manifest (filed by the carrier or its authorized agent) and the ITDS pilot entry (normally filed by the importer or its customs broker) must be filed electronically prior to arrival (at the Peace Bridge or the Lewiston Bridge, in accordance with this pilot) of any truck carrying merchandise being entered under the ITDS procedure. (Note again the exception for filing in-bond entries at the secondary inspection station.) By accepting both the pilot manifest and the pilot entry prior to arrival of a truck, the ITDS system will allow government agencies to analyze admissibility and enforcement actions before the merchandise arrives.

While the electronic filings of the pilot manifest and entry will be accepted in any sequence, both filings must be received at least 30 minutes prior to arrival of the carrier in order to permit government systems to perform the necessary pre-arrival processing. For merchandise subject to FDA regulations, while it is preferred that entry data be submitted twenty-four hours before arrival, entry data must be submitted at least six hours before arrival.

It is noted that, except under the NCAP Prototype (see the notice published in the **Federal Register** (63 FR 44949) on August 21, 1998, concerning NCAP Prototype operations), trucking companies do not currently provide electronic manifest data to

Customs. Electronic filing of the manifest is vital to this pilot because the manifest includes data required by Customs, FMCSA, and INS, in addition to the transportation data required to link the arrival of a truck to the carrier-assigned pro-bill numbers of the merchandise aboard the truck. The pro-bill numbers, in turn, link the manifest to the entries for the shipments aboard the truck. Carriers can be assured that the ITDS will provide a secure method of sending this information via the Internet.

The Peace Bridge is equipped with transponder reading capability in accordance with Interagency Group (IAG) specifications. This equipment can read the permanently programmed serial number transmitted from a truck transponder that triggers port processing. The Lewiston Bridge does not have this capability and uses bar code technology instead. Accordingly, trucks operating with transponders which cross only the Peace Bridge may not need a carrier trip number bar code for ITDS processing, but all trucks transporting under ITDS procedures via the Lewiston Bridge must provide a carrier trip number in bar code format to the Customs Inspector in the primary inspection booth. It is recommended, however, that all transponder-equipped trucks, except those not likely to use the Lewiston Bridge, should carry a carrier trip number bar code in addition to the transponder.

Manifest filing

The carrier, or an authorized agent of the carrier filing for the carrier, must file the manifest using an ITDS web-form that is available on the Internet. A sample of this form is available on the Internet at www.itds.treas.gov. The Internet web site will also provide filing, arrival, examination, and release status information for each participating filer's recently filed manifests.

All shipments of merchandise aboard the truck must be eligible for processing under the pilot. Merchandise eligible for ITDS pilot processing is merchandise that will be entered by consumption entry or in-bond entry. All merchandise aboard the truck must be reported in the manifest and entered under ITDS pilot procedures. Shipments for clearance under 19 U.S.C. 1321 (section 321 of the Tariff Act of 1930, as amended; hereafter, section 321)) will require country of origin and value reporting and an eligibility claim by the entry filer. (Under section 321, merchandise having minimal value can be entered free of duty or tax where the amount of revenue collected would be disproportionate to the expense and inconvenience to the Government in collecting it.) Shipments for processing under in-bond procedures may be included, but will always require manual paper processing (CF 7512 – in-bond entry) at the secondary inspection station. No merchandise transported in an ITDS pilot truckload may be cleared under Border Release Advanced Security and Selectivity (BRASS) procedures.

The data elements of the ITDS pilot manifest include trip-level information and standard shipment information, as follows:

(A) Trip-level information, as follows, is reported once in the manifest (unless otherwise indicated below):

- Carrier trip number (carrier's Standard Carrier Alpha Code* (SCAC), followed by a carrier-assigned number);
- Conveyance transponder number (optional; must be reported if the truck will use a transponder for arrival processing);
- Carrier number (DUNS number**);
- Manifest filer number (DUNS number**);

- Conveyance identification - selected from list of pre-identified conveyances (for information on pre-identification of conveyances, please refer to the “Application” section below);

- Trailer-equipment identification (container or license plate number and, if applicable, seal number; these data elements may be repeated for tandems and containers on trailers);

- Gross shipping weight (in kilograms);

- Hazardous material indicator (Yes or No) and code (if Yes);

- Driver identification - selected from list of pre-identified drivers (for more information on pre-identification of drivers, please refer to the “Application” section below); and

- Crewmember/Passenger numbers - selected from list of pre-identified crewmembers and passengers (for information on pre-identification of crewmembers, please refer to the “Application” section below).

(B) Standard shipment information is required for each shipment of merchandise aboard the truck:

- Pro-bill issuer (SCAC);

- Pro-bill number;

- Shipper number (DUNS number or name and address);

- Deliver-to party (DUNS number or name and address);

- Entry filer (ACS filer code; optional);

- In-bond status indicator (optional);

- Shipping quantity/type of packages; and

- Description of cargo.

[* The SCAC is a unique code assigned by the National Motor Freight Traffic Association, Inc. (NMFTA), to transportation companies for identification purposes. Carriers that do not already have a SCAC may obtain one from NMFTA, 2200 Mill Rd., Alexandria, VA 22314-4654. Further information and an application form are available at www.nmfta.org. Annual fees apply.

** DUNS numbers are identifiers issued by DUN & Bradstreet free of charge. In order to obtain one, ITDS participants may call 800-333-0505 or go to www.dnb.com. Prior to requesting a DUNS number, participants should first verify that their company does not already have a DUNS number assigned. Many companies may already have such numbers for other than international trade purposes.]

Until the truck arrives at the international border, the manifest Internet web form may be used to add, amend, replace or, if the truck is not to be processed under ITDS, delete a manifest. The ITDS system will keep an audit file to record in chronological order all changes made to manifest information. Each transaction will be edited and validated on-line. A particular conveyance transponder number will be accepted in a manifest only if all previous manifests on file with the same conveyance transponder number are in “arrived” status. Error-free manifests will be stored on the ITDS transaction database. Manifests containing errors will be returned for correction.

Entry filing

For each shipment of merchandise reported in an ITDS pilot manifest, an entry must be filed, as follows: (1) consumption entries must be filed electronically prior to arrival of the cargo at the international border (the port of Buffalo under the pilot) using

ITDS procedures and (2) in-bond entries must be filed in paper format (CF 7512) at the secondary inspection station upon arrival at the port. ITDS consumption entries must be filed by the importer of record or a customs broker on behalf of the importer of record. In-bond entries may be filed by either the carrier, the importer, or the importer's broker at the port.

For ITDS consumption entries, entry data will be transmitted to ITDS using current ABI data formats. (Full details of the data for these records can be found in the Customs and Trade Automated Interface Requirements (CATAIR) available on the Internet at www.customs.gov/impexpo/auto_cat.htm.) Specifically, either an ABI Cargo Selectivity transaction (application "HI") or an ABI Border Cargo Selectivity transaction (application "HN") must be transmitted to ITDS. Pro-bill numbers transmitted in entry data will serve to link the entry with the appropriate manifest.

If an ABI Cargo Selectivity transaction (application "HI") is transmitted, it must include at least one "HA" record. An "HA" record reports the pro-bill of a shipment covered by the entry. Specifically, in the "HA" record, the SCAC code of the issuer of the pro-bill will be reported in the "Issuer Code of Master Bill number" field, and the pro-bill number will be reported in the "Master Bill number" field.

If an ABI Border Cargo Selectivity transaction (application "HN") is transmitted, it must include at least one "OM" (zero-M) record. A "OM" record reports the pro-bill of a shipment covered by the entry. Specifically, in the "OM" record, the SCAC code of the issuer of the pro-bill will be reported in the "Issuer of Master Bill Number" field, and the pro-bill number will be reported in the "Master Bill number" field.

When FDA data are required for cargo release processing, data satisfying that agency's requirements will be reported in ABI formats as currently accepted by ACS. These data will be incorporated in the ABI Cargo Selectivity or Border Cargo Selectivity transaction.

Note that no modifications to current ABI records are required. However, ITDS pilot entries and related transactions (i.e., ABI entry status queries (applications "II" and "IN") and other government agency corrections (application "CP") for ITDS pilot entries) must be batched and addressed separately from non-pilot ABI data. Current ABI data communications protocols will be supported.

Where a shipment is eligible for clearance under section 321, the entry filer may certify the shipment's eligibility under the statute. This may be accomplished by submitting an ABI section 321 eligibility claim (a new ABI application for use only under the ITDS pilot). These claims must be addressed to the same specially assigned ABI message queue as are other ITDS pilot ABI data and include the following information:

- Entry filer number (ACS filer code);
- Pro-bill issuer (SCAC);
- Pro-bill number;
- Section 321 eligibility claim;
- Country of origin; and
- Value of the shipment in U.S. dollars.

The ITDS pilot system will not accept entry changes after arrival of cargo at the international border. Before arrival of the cargo, the ITDS pilot system will apply the same rules as ACS in permitting filers to make entry data changes. If changes are

made, ITDS will keep an audit file to record them in chronological order. ITDS entries will be edited and validated. All current ABI edit and validation rules, including those for FDA and NHTSA data, will apply. The ITDS pilot system will also perform additional FDA edits not currently performed by ABI. Standard ABI formats (application “HR” for Cargo Selectivity, application “HS” for Border Cargo Selectivity, application “DT” for other government agency data rejections, and the new ABI application for section 321 eligibility claims) will be used to return acceptance and rejection messages to the filer of the entry. Error-free pilot entries will be stored on the ITDS transaction database. Pilot entries containing errors will be rejected for correction.

Where merchandise is to be processed under in-bond procedures, the manifest filer may so indicate by submitting an in-bond status indicator for that merchandise. As above, processing of in-bond merchandise will always require manual paper processing (CF 7512 – in-bond entry) at the secondary inspection station at the border port.

Risk assessment

The ITDS pilot system will pass pertinent manifest and entry data to the appropriate participating agencies for automated risk assessment. Only information relevant to the agency’s mission will be passed. Based on the information received, a participating agency may place a hold to prevent release of the truck at the primary inspection booth.

Agency risk assessment procedures begin immediately upon receipt of the ITDS pilot manifest, as follows:

1. Customs will perform a risk assessment using complete manifest data. Based on this information, Customs may place a hold on the driver, one or more crewmembers, the conveyance, or one or more shipments.

2. The FMCSA will perform risk assessment using data identifying the driver, carrier, and conveyance. Based on this information, FMCSA may place a hold on the driver or the conveyance.

3. The INS will perform risk assessment using data identifying the driver and crewmembers. Based on this information, INS may place a hold on the driver or one or more crewmembers.

Agency risk assessment procedures begin immediately upon receipt of the ITDS pilot entry (other than an in-bond entry), as follows:

1. The ITDS pilot system will pass complete entry data to ACS. An ACS entry record will be created, and ACS cargo selectivity screening will be performed. As a result of the screening, Customs may place a hold on the merchandise covered by the entry.

2. For commodities subject to FDA regulation, an extract of the entry data and all reported FDA data will be passed to the FDA OASIS system for risk assessment. FDA may place a hold on the merchandise covered by the entry. (Note that submission of entry data with FDA elements is preferred twenty-four hours before arrival and is, in any event, required at least six hours before arrival.)

The ITDS pilot system will link each manifest with corresponding entries and consolidate the results of the participating agencies' risk assessments. However, no

agency's risk assessment results will be communicated to manifest or entry filers prior to arrival of the truck at the primary inspection booth.

Arrival processing at the port

At the Peace Bridge, arrival processing will normally begin when a truck's transponder interacts with the dedicated short-range radio communications reader at the primary inspection booth. Upon reading the permanently programmed transponder number, the ITDS system will initiate arrival processing. At the Lewiston Bridge, or at the Peace Bridge if a truck is not equipped with transponders, the truck driver will present a carrier trip number in bar code format to the Customs Inspector in the primary inspection booth. By electronically scanning the bar code, the Customs Inspector will initiate ITDS arrival processing. The ITDS manifest facility on the Internet will provide a means for printing carrier trip number bar codes.

Data will be considered incomplete upon arrival of the truck if the manifest has not been accepted or the entry has not been accepted for one of the shipments reported in an accepted manifest. If data is incomplete, or if the manifest includes one or more in-bond shipments, the primary Customs Inspector will refer the truck to the secondary inspection station. In these cases, the truckload will be processed under standard, non-pilot release procedures.

If data is complete upon arrival of the truck and the manifest includes no in-bond shipments (i.e., the manifest and entry has been accepted for each reported shipment), the ITDS pilot processing will proceed. The ITDS pilot system will accept no further

changes to manifest or entry data associated with the trip after ITDS arrival processing has been initiated. The ITDS system will retrieve the corresponding manifest, all associated entry data, and the agencies' risk assessment results and display these records to the primary Customs Inspector.

The primary Customs Inspector will review the risk assessment results. If no agency risk assessment has resulted in a hold, the primary Customs Inspector generally will release the truck and its shipments at the primary inspection booth. The primary Customs Inspector may, however, initiate a hold and direct the truck to the secondary inspection station. No paper forms will be required for primary inspection processing, such as a paper manifest, entry, invoice, or other paperwork (except the carrier trip number bar code for trucks without transponders).

If any agency's risk assessment has resulted in a hold, the primary Customs Inspector will direct the truck to the secondary inspection station. During the pilot, there will be motor carrier safety inspectors stationed at the Peace Bridge and Lewiston Bridge to ensure that drivers and vehicles comply with U.S. commercial vehicle safety requirements. If a truck is referred to the secondary inspection station, standard paper entry documents and invoices for all entries will be required for Customs and FDA processing.

Following release of cargo from either the primary inspection booth or the secondary examination station, the ITDS pilot system will update the appropriate ACS entry records with the release date. Entry summary reporting, payment, and all other post-entry processing will be accomplished under existing procedures.

III. Eligibility Criteria

In order to participate in the ITDS pilot, manifest filers (carriers or their agents) must have access to the Internet in order to submit the required web-based manifest. ITDS trucks, drivers, and crewmembers must be identified in advance.

Entry filers (customs brokers and importers) who wish to participate in the ITDS pilot must be participants in Customs ABI system. They must also develop the technical capacity to batch and address ITDS pilot entries and related transactions separately from non-pilot ABI transactions. In order to ensure proper filing, ITDS pilot entry filers will need to develop mechanisms to identify truckloads to be cleared under ITDS pilot procedures. A high degree of coordination will be required between participating manifest filers and entry filers.

In general, approval for participation in the ITDS pilot will be granted to all applicants who meet the requirements above and provide all required application information. It is noted that both the importer (or its customs broker) who files the ITDS pilot entry and the carrier (or its agent) who files the pilot manifest must be participants in the ITDS pilot to effect an entry of merchandise through ITDS pilot procedures.

IV. Application

Both manifest filers and entry filers who wish to participate in this pilot must submit an application. Applications may be mailed to: Janet Pence, Chief, Client Representative Branch, Office of Information & Technology, 7501 Boston Blvd., Springfield, VA 22153. Application forms will be available on the Internet at www.itds.treas.gov/register.

Applications submitted by manifest filers (carriers and their agents) must state that the applicant wishes to voluntarily participate in the ITDS pilot and must address the eligibility criteria outlined above. The application must also include the following information:

- Name and address of the manifest filer;
- Point of contact name, e-mail address, and telephone number;
- Alternate point of contact name, e-mail address, and telephone number;
- DUNS number of the manifest filer; and
- For each carrier for whom manifests will be filed:
 - Name and address of the carrier;
 - DUNS number of the carrier;
 - SCAC of the carrier;
 - U.S. DOT number and type (CA, MX, or US) of the carrier (if available);
- For each conveyance that the carrier expects to use for transportation of ITDS

pilot truckloads across international borders:

- Vehicle identification number (VIN);
- Country, state/province, and number of primary registration license plate;
- Default transponder number (if available);
- For each crewmember that the carrier expects to employ for transportation of

ITDS pilot truckloads across the international border:

- IRS registration number (if known);
- Given name;
- If applicable, middle name and/or maternal name;

- Paternal name;
- Name suffix;
- Date of birth;
- Country of citizenship; and
- For each driving crewmember:
 - Country, state/province, and number of commercial driver license.

Manifest filers will be required to provide the same information for new conveyances and crewmembers that are added throughout the course of the pilot. Internet web forms will be provided for submission of these updates.

Applications submitted by entry filers (customs brokers and importers) who wish to participate in this pilot must state that the applicant wishes to voluntarily participate in the ITDS pilot and must address the eligibility criteria outlined above. The application must also include the following information:

- Name and address of the entry filer;
- Point of contact name, e-mail address, and telephone number;
- Alternate point of contact name, e-mail address, and telephone number; and
- ACS filer code of the entry filer.

Customs will inform applicants, in writing or by e:mail, of their selection or non-selection for participation in the pilot. The notice will provide reasons for non-selection. An applicant may re-apply by resubmitting an application that addresses and resolves the reason(s) given for non-selection.

V. Misconduct

If a pilot participant makes late or inadequate submissions of manifest and/or entry data, or fails to exercise reasonable care in the execution of participant obligations and the filing of information regarding the admissibility of merchandise and declaring the classification, value, and rate of duty applicable to the merchandise, or otherwise fails to follow the procedures (outlined in this document) or applicable laws and regulations (save those suspended under the pilot), then the participant may be suspended or removed from the pilot program and/or subjected to penalties, liquidated damages, or other administrative sanctions. Customs has the discretion to suspend or remove a pilot participant based on the determination that an unacceptable compliance risk exists. This action may be invoked at any time after acceptance in the pilot.

Any decision proposing suspension or removal of a participant may be appealed in writing to Eugene A. Rosengarden, U.S. International Trade Commission, 500 E. St., S.W., Washington, D.C. 20436, within 15 days of the decision date. Such proposed suspension/removal will apprise the participant of the facts or conduct warranting suspension. If no appeal is filed within 15 days, the decision proposing suspension or removal is final, and the participant may no longer continue with ITDS processing as of that date. If an appeal is filed, the participant may continue with ITDS processing until a decision on the appeal is made. In the case of willfulness or where public health interests or safety are concerned, the suspension/removal may be effective immediately. Should the participant appeal the notice of suspension or removal, the participant should address the facts or conduct charges contained in the notice and

state how he does or will achieve compliance. If a participant is assessed with a penalty, liquidated damages, etc., normal procedures apply to contest those actions.

VI. Regulatory Provisions Suspended

Under § 101.9(b) of the Customs Regulations (19 CFR 101.9(b)), for purposes of conducting a test program or procedure (referred to in this document as a pilot) to evaluate planned components of the NCAP (as described in 19 U.S.C. 1411(a)(2)(G)), the Commissioner of Customs may impose requirements different from those specified in the regulations, provided that the departure does not affect collection of the revenue, public health or safety, or law enforcement. These different requirements imposed under a test may require more or less information than required under the regulations.

Ordinarily, merchandise that qualifies for treatment under section 321 is subject to the requirements of § 143.23(j), which pertains to the informal entry of shipments of merchandise not exceeding \$200. Among these are the requirements to file a bill of lading or a manifest listing each bill of lading (§ 143.23(j)) and to submit the name and address of the ultimate consignee (§ 143.23(j)(3)). ITDS participants file a manifest under ITDS procedures that meets the requirements of the regulation, but ITDS procedures do not require the submission of the ultimate consignee name and address. Rather, the DUNS number or name and address of the deliver-to party is provided in the manifest. Thus, for purposes of the ITDS pilot, Customs is suspending the requirement of § 143.23(j)(3).

Also, some information beyond what is required in § 123.4 concerning inward foreign manifests is requested under the pilot. To the extent that the pilot exceeds the finite requirements of § 123.4, Customs is suspending this limitation of the regulation.

VII. Pilot Evaluation

Customs, the FDA, the INS, the FMCSA, and participants in the pilot will meet to: (1) review all public comments received relative to any aspect of the pilot program or procedures, (2) form problem solving teams, and (3) establish baseline measures and evaluation methods and criteria. Based on Customs analysis, Customs may amend pilot procedures as necessary. One year after the implementation of the pilot, evaluation results will be published in the **Federal Register** and the Customs Bulletin.

Evaluation criteria for participating government agencies may include workload impact, policy and procedural accommodation, cost benefit, and compliance impact. Criteria for trade participants may include cost benefit, system efficiency, operational efficiency, and other elements identified by the trade community. Evaluation will also encompass the data elements required for federal trade agency processing, including the availability of data, the need for the data, the time when data must be submitted, alternative methods of archiving and retrieving repetitive data, and continued efforts to eliminate redundant data. The data elements listed in this document are for the pilot. The evaluation of the pilot may result in changes to this data set. There will be ongoing sessions with the trade community and the participating agencies in the evaluation of this data.

Note that the fact of participation in the ITDS pilot is not confidential information. Lists of participants will be made available to the public by means of the Customs Electronic Bulletin Board, the Customs Administrative Message System, and upon

written request. All interested parties are invited to comment on the design, conduct, and evaluation of the ITDS pilot at any time during the prototype.

Dated: May 31, 2001

Bonni G. Tischler
Assistant Commissioner
Office of Field Operations